

THE WHITE HOUSE
WASHINGTON

December 12, 1996

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COMMISSION
OFFICE OF GENERAL
COUNSEL

DEC 12 3 46 PM '96

Lawrence Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

RE: 4545

Dear Mr. Noble:

We are writing in response to a November 4, 1996, letter from Ms. Colleen T. Sealander regarding a complaint filed with the Federal Election Commission (FEC) by the Republican National Committee (Complainant) against the Clinton for President Primary Committee (Clinton/Gore '96). We are responding on behalf of the President in his official capacity and the White House.

The Complainant alleges that Clinton/Gore '96 may have violated the Federal Election Campaign Act (the Act) by permitting the costs incurred by the United States Secret Service (USSS) and the media to be paid by those entities. In particular, the Complainant states that:

Clinton-Gore '96 used funds not permitted under the Act (or caused expenditures to be made by sources prohibited from contributing) to pay for cost of campaign events and travel during a train trip Costs for the train trip clearly constitute "qualified campaign expenditures" [S]ignificant costs associated with this campaign activity - - as much as \$1 million -- appear to have been absorbed and paid by either corporate providers of services or by the federal government, in violation of 2 U.S.C. §§ 441b and 434(b) and 11 C.F.R. §§ 114.9(e)(2) and 9034.7.

Complaint at 1.

The Complainant's allegations regarding payments by the USSS with respect to the President's trip do not state a violation of the Act. It is well-established that "person" for the purposes of the term "contribution" does not include the Federal Government (or any of its components). See, 2 U.S.C. § 431(11); 11 C.F.R. § 100.10. See also, H.R. Rep. No. 4221, 96th Cong., 1st. Sess. at 7-8 (1979) (definitions of "contribution" and "expenditure" were amended "to incorporate the Commission opinion that the use of appropriate (sic) funds of the Federal Government is not an

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expenditure"). Accordingly, any funds expended by the Federal Government for the President's travel would not, for purposes of the Act, constitute a contribution.

As with all costs incurred by the media in travel related to the President, the White House bills, or ensures direct billing of the media for expenditures made on behalf of their activities -- the Government does not pay these costs. Consistent with this practice, the media was billed for the costs of their activities on the train trip. Thus, there was no authorized in-kind contribution by the media.

In light of the failure by Complainant to state a violation of the Federal Election Campaign Act by the President or the White House, we request that your agency dismiss the President and the White House as respondents in this matter (MUR 4545).

Sincerely,



Cheryl Mills
Associate Counsel to the President